



ND-1FA 3-year averaging method for elected farm income

2001

Attach to Form ND-1

Please type or print in black or blue ink. Enter one letter or number in each box.

Your name as shown on Form ND-1

Your social security number

 - -

Part 1 Current year's tax under 3-year income averaging method

See instructions on
back of this schedule.

1. North Dakota taxable income from Form ND-1, line 13 ----- 1 , , .
2. Elected farm income - see instructions ----- 2 , , .
3. Subtract line 2 from line 1. **If less than zero, enter 0** ----- 3 , , .
4. Tax on the amount on line 3 from Tax Table on page 18 of Form ND-1 instructions ----- 4 , , .
5. Enter the amount from Part 2, **1998 tax year** column, line 9 -- 5 , , .
6. Enter the amount from Part 2, **1999 tax year** column, line 9 -- 6 , , .
7. Enter the amount from Part 2, **2000 tax year** column, line 9 -- 7 , , .
8. Add lines 4, 5, 6, and 7 ----- 8 , , .
9. Tax on the amount on line 1 from Tax Table on page 18
of Form ND-1 tax instructions ----- 9 , , .
- ▶ **Caution: If line 8 is greater than line 9, do not complete line 10 or attach this schedule to Form ND-1
UNLESS you are electing to calculate and pay the higher amount on line 8.**
10. Enter the amount from line 8 on this line and on your return as instructed below. ----- (F1) 10 , , .
- If a **full-year resident**, enter the amount from line 10 of this schedule on Form ND-1, line 14.
 - If a **full-year nonresident** or **part-year resident**, enter the amount from line 10 of this schedule on Schedule ND-1NR, line 21.

Part 2 Additional tax for 3 previous tax years

See instructions on
back of this schedule.

▶ **Complete lines 1 and 2 if you filed Form 37-S for the previous year. Complete lines 3 through 8 if you filed Form 37 for the previous year. All filers complete line 9.**

Form 37-S Filers only

1. Enter the federal income tax amount from the 2001 Schedule J
(Form 1040) as instructed below ----- 1
- For 1998, enter the amount from line 8 less line 18.
 - For 1999, enter the amount from line 12 less line 19.
 - For 2000, enter the amount from line 16 less line 20.

2. Multiply line 1 by 14% (.14) ----- 2

Form 37 Filers only

3. North Dakota taxable income from Form 37, Tax Computation Schedule, line 1 ----- 3
4. Divide the amount on line 2 of Part 1 above by three and enter the result ----- 4
5. Add lines 3 and 4 ----- 5
6. Calculate the tax on the amount on line 5 using the Form 37
Tax Rate Table in the instructions on the back of this schedule ----- 6
7. Enter the tax from Form 37, Tax Computation Schedule, line 2 ----- 7
8. Subtract line 7 from line 6 ----- 8

All Filers

9. Additional tax (Enter the amount from line 2 or line 8, whichever applies) ----- 9
- Enter this amount in Part 1, line 5 Enter this amount in Part 1, line 6 Enter this amount in Part 1, line 7

Who is eligible to use this schedule

You are eligible to use Schedule ND-1FA to calculate your tax for 2001 if you used Schedule J (Form 1040) to calculate your 2001 federal income tax.

Elected farm income for North Dakota purposes

Your elected farm income for purposes of Schedule ND-1FA is equal to your elected farm income for federal income tax purposes as reported on Schedule J (Form 1040), line 2. However, if you claimed a net long-term capital gain exclusion on line 7 of Form ND-1 that relates to a long-term capital gain included in your elected farm income for federal purposes, you must reduce your elected farm income for North Dakota purposes by the amount of the exclusion.

Specific line instructions for Part 1

Line 2

Enter your elected farm income from the 2001 Schedule J (Form 1040), line 2. However, if you claimed an adjustment on line 7 of your 2001 Form ND-1 relating to a long-term capital gain included in your elected farm income for federal purposes, subtract the amount of the adjustment from your federal elected farm income and enter the result on this line.

Line 4

If the amount on line 3 is less than \$100,000, use the Tax Table on page 18 of the Form ND-1 instruction booklet to calculate the tax. However, if the amount on line 3 is equal to or greater than \$100,000, use the appropriate Tax Rate Schedule on page 30 of the Form ND-1 instruction booklet to calculate the tax.

Line 9

If the amount on line 3 is less than \$100,000, use the Tax Table on page 18 of the Form ND-1 instruction booklet to calculate the tax. However, if the amount on line 3 is equal to or greater than \$100,000, use the appropriate Tax Rate Schedule on page 30 of the Form ND-1 instruction booklet to calculate the tax.

Note: If the amount on line 8 is greater than the amount on line 9, do not complete line 10 or attach this schedule to Form ND-1 UNLESS you are electing to calculate and pay the higher amount on line 8.

Specific line instructions for Part 2

Complete this part to determine the additional tax for the 1998, 1999, and 2000 tax years that would be attributable to adding one-third of the elected farm income to each year's income. Complete each year's column as follows:

- If you used Form 37-S (Short form) for the tax year, complete lines 1, 2, and 9 for that column.
- If you used Form 37 (Long form) for the tax year, complete lines 3 through 9 for that column.

Form 37 Tax Rate Table

(applies to 1998, 1999 and 2000)

Use this table only if you are completing lines 3 through 8 of Part 2 for any of the three previous years

If the amount on line 5 of Part 2 is:		The tax is:	
Over	But not over		
\$ 0	\$ 3,000	2.67% of North Dakota taxable income	
3,000	5,000	\$ 80.10 plus	4.00% of the amount over \$ 3,000
5,000	8,000	160.10 plus	5.33% of the amount over 5,000
8,000	15,000	320.00 plus	6.67% of the amount over 8,000
15,000	25,000	786.90 plus	8.00% of the amount over 15,000
25,000	35,000	1,586.90 plus	9.33% of the amount over 25,000
35,000	50,000	2,519.90 plus	10.67% of the amount over 35,000
50,000		4,120.40 plus	12.00% of the amount over 50,000